

Notice To All Section 8 Housing Authorities:

Increasing homeownership among low-income and minority households is one of the HUD's most important initiatives. The homeownership option under the Housing Choice Voucher program helps accomplish this objective by allowing public housing agencies (PHA's) to provide voucher assistance to low-income first time homebuyers for monthly homeownership expenses rather than for monthly rental payments, the most typical use of voucher assistance.

In order to increase homeownership opportunities on a national basis, HUD, in 2004, is compensating PHA's that create a Housing Choice Voucher Homeownership Program, or expand an existing voucher homeownership program. To support HUD's commitment to homeownership, we are asking that you take advantage of the Housing Choice Voucher Homeownership Program administrative fee this year.

Administrative Fee Paid to PHA's Administering a Voucher Homeownership Program

PHA administrative fees will be awarded to compensate PHAs for estimated costs of establishing a homeownership program, drafting homeownership voucher administrative procedures, counseling and training future homeowners, working with the mortgage banking industry, assisting future homeowners with the process of purchasing a home, and administering other aspects of the program, as follows:

- \$5,000 to any PHA that has at least one homeownership closing or one voucher being administered (at least one housing assistance payment made) and reported in PIC by December 31, 2004. This is to compensate the PHA's, in part, for the estimated expense of establishing and administering a homeownership voucher program; and
- \$1,000 to a PHA for each homeownership closing reported and reflected in PIC by December 31, 2004. This is to compensate the PHA's, in part, for the estimated expense of assisting a voucher program renter become a homeowner, and for the estimated expense of administering a homeownership program.

Families that have purchased homes under the Housing Choice Voucher (Section 8) Homeownership Program with the Housing Choice Voucher Homeownership subsidy are eligible. PHA's assisting those families need to record those homeownership voucher closings under PIC 50058, Section 15.

Families that have purchased homes under the Housing Choice Voucher (Section 8) Homeownership Program without the Housing Choice Voucher Homeownership subsidy are also eligible and should be reported as homeowners in PIC. PHA's assisting those families need to record those homeownership closings under PIC 50058, Section 15.

PHA's with Family Self-Sufficiency (FSS) homeownership closings where families have purchased homes through the Housing Choice Voucher (Section 8) Homeownership Program, with or without subsidy, should also report those homeowners in PIC. PHA's need to record those homeownership closings under PIC 50058, Section 17.

Note: In order to be counted for purposes of receiving the administrative fee in 2004, all voucher homeowners must be reported and reflected in PIC 50058 no later than December 31, 2004. Please email your comments to me at David_Fleischman@HUD.gov

Regards,

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